



JOHN F. HALL DACC

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STATE OF MAINE
DEPARTMENT OF TRANSPORTATION
16 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0016

223446



DAVID A. COLE

ADMINISTRATIVE

August 8, 2008

Ann K. Quinlan, Esq.
Acting Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20024

ENTERED
Office of Proceedings

AUG 28 2008

Part of
Public Record

Re: Comments of the State of Maine
Finance Docket No. 35147
Norfolk Southern Railway Company, Pan Am Railways, Inc., et al – Joint
Control and Operating/Pooling Agreements – Pan Am Southern LLC

Dear Secretary Quinlan:

Enclosed please find the Comments of the State of Maine regarding the above-noted matter

Thank you for your assistance.

Sincerely yours,

Toni L. Kemmerle

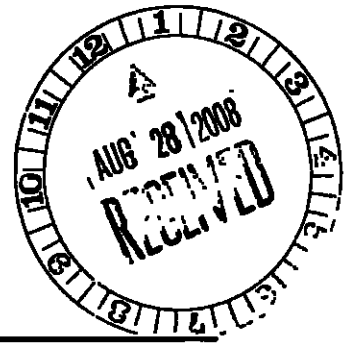
Toni L. Kemmerle
Chief Counsel
Maine Department of Transportation
16 State House Station
Augusta, Maine 04333-0016

TLK/jas
Enclosure



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**BEFORE THE
SURFACE TRANSPORTATION BOARD**



FINANCE DOCKET NO. 35147

**NORFOLK SOUTHERN RAILWAY COMPANY, PAN AM RAILWAYS, INC.,
ET AL. – JOINT CONTROL AND OPERATING/POOLING AGREEMENTS-
PAN AM SOUTHERN LLC.**

**COMMENTS OF
THE STATE OF MAINE**

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Public Record**

In accordance with the Board's decision served June 26, 2008, in this proceeding, the State of Maine hereby submits its Comments concerning the above-referenced transaction

While most of the effects of this transaction will occur beyond the borders of the State of Maine, the State does have substantial interest in the favorable outcome of the joint venture. Pan Am Railways (PAR), through its Springfield Terminal Railway Company (ST), Boston and Maine Corporation (BM), and Maine Central Railroad Company (MEC), owns and operates approximately 380 miles of railroad in Maine and serves some of the State's largest rail shippers. In addition, PAR connects and interchanges with all of the State's other freight rail operators and connects with many State-owned rail lines. The proposed transaction between Norfolk Southern Railway Company (NS) and PAR promises to improve rail infrastructure and operations in the proposed Patriot Corridor between Ayer, Massachusetts and Mechanicville, New York, a corridor which is a major shipping route for many Maine rail shippers. Improvements on

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this corridor should enable Maine carriers to compete with other modes of transportation more effectively by offering more predictable and compressed delivery schedules to their customers.

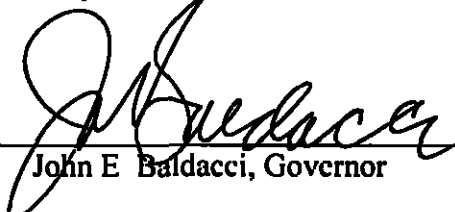
Additionally, PAR has indicated to the State that the State will benefit from this transaction because it will enable PAR to better focus on its infrastructure and operations in Maine and to better serve Maine shippers. More specifically, PAR has assured the State that this transaction will enable PAR to accomplish the following

- invest in much-needed track upgrades that will improve track conditions on its freight main line and branch lines within the State resulting in better track speeds and in added capacity that will allow the lines to accommodate 286,000 lb. cars,
- provide additional locomotives and cars to be used in the State to provide more reliable service to Maine shippers, connecting railroads, and connecting State-owned rail lines;
- reduce shipping times for Maine customers, including intermodal shipments between Maine and Ayer, Massachusetts /Mechanicville, New York; and
- re-open PAR's Waterville, Maine intermodal facility if business demand is sufficient.

Based on these representations, the State of Maine supports this transaction and believes that, as proposed, it will result in improved rail service for the State of Maine and the region.

In the event that conditions of this transaction change and could adversely affect the interest of the State of Maine, the State reserves the right to submit further comments at an appropriate time.

Respectfully submitted,



John E. Baldacci, Governor




Toni L. Kemmerle, Chief Counsel
Maine Department of Transportation

Dated: August 7, 2008

CERTIFICATE OF SERVICE

I, Toni L. Kemmerle, Chief Counsel of the State of Maine, Department of Transportation hereby certify that a copy of the COMMENTS OF THE STATE OF MAINE has been served this 8th day of August, 2008, by first class mail, postage pre-paid, on all parties of record in this proceeding as indicated on the attached Service List.



Toni L. Kemmerle
Chief Counsel
Maine Department of Transportation
16 State House Station
Augusta, Maine 04333-0016

SERVICE LIST – PARTIES OF RECORD

Richard A. Allen
Zuckert, Scoutt & Rasenberger, LLP
888 Seventeenth Street, NW, Suite 700
Washington, DC 20006

Louis E. Gitomer
The Adams Building
600 Baltimore Avenue, Suite 301
Towson, MD 21204

Daniel R. Elliott, III
United Transportation Union
14600 Detroit Avenue
Cleveland, OH 44107

Harold A. Ross
23195 Stoneybrook Drive
North Olmsted, OH 44070

Chalmers Hardenbergh
Atlantic Northeast Falls & Ports
162 Main Street
Yarmouth, ME 04096

Stephen G. LaBonte
New Hampshire Department of Transportation
33 Capitol Street
Concord, NH 03301

Peter C. Vail, Jr.
Carolina Easter-Vail, Inc.
4134 State Rte 22
P.O. Box 483
Salem, NY 12865

Michael S. Wolly
Zwerdling, Paul, Kahn & Wolly
1025 Connecticut, N.W., Suite 712
Washington, DC 20036

Vincent P. Szeligo
Wick, Streiff, Meyer O'Boyle & Szeligo
1450 Two Chatham Center
Pittsburgh, PA 15219

James E. Howard
One Thompson Square, Suite 201
Charlestown, MA 02129

Robert B. Culliford
Pan Am Railways, Inc
14 Aviation Avenue
Portsmouth, NH 03801

Edward D. Greenberg
Galland, Kharasch, Greenberg, Fellman &
Swirsky, PC
Canal Square
1054 Thirty-First Street, N.W.
Washington, DC 20007

Dave Fellon
Progressive Rail Inc.
21778 Highview Avenue
Lakeville, MN 55044

Roger J. Schiera
New York State Department of Transportation
50 Wolf Road
Albany, NY 12232

Harry P. Carroll
City of Springfield, Massachusetts
36 Court Street, Room 210
Springfield, MA 01103

Thomas D. Hall
Committee to Improve Rail Service in Maine
176 Merrill Road
Pownal, ME 04069

Jeffrey B. Mullan
Commonwealth of Massachusetts
Executive Office of Transportation and Public
Works
Ten Park Plaza
Boston, MA 02116

Keith G. O'Brien
Baker & Miller PLLC
2401 Pennsylvania Avenue, NW
Suite 300
Washington, DC 20037

Myles L. Tobin
Fletcher & Sippel
29 North Wacker Drive, Suite 920
Chicago, IL 60606

William L. Taber
Batten Kill Railroad
1 Elbow Street
Greenwich, NY 12834

Timothy Brennan
Pioneer Valley Planning Commission
26 Central Street, Suite 34
West Springfield, MA 01089

Eugene J. Colonese
Connecticut Department of Transportation
2800 Berlin Turnpike
P.O. Box 317546
Newington, CT 06131

Kevin C. Maughan
Greenbrier Leasing Company LLC
One Centerpointe Drive, Suite 200
Lake Oswego, OR 97035

Eric M. Hocky
Thorp Reed & Armstrong, LLP
One Commerce Square
2005 Market Street, Suite 1910
Philadelphia, PA 19103

Edward J. Rodriguez
Housatonic Railroad Company
8 Davis Road West
P.O. Box 687
Old Lyme, CT 06371

Richard S. Edelman
O'Donnell, Schwartz & Anderson
1300 L Street, NW
Suite 1200
Washington, DC 20005

Peter R. Leishman
Milford-Bennington Railroad Co., Inc.
62 Elm Street
Milford, NH 03055

William C. Sippel
Fletcher & Sippel
29 North Wacker Drive, Suite 920
Chicago, IL 60606

Captain Dirck Hecking
Consultant Group of Hecking & Remington, LLP
6215 Coffman Road
Indianapolis, IN 46268

Donnalee Lozeau
City of Nashua
229 Main Street
P.O. Box 2019
Nashua, NH 03061

Shaun A. Suhoski
Town of Ayer Massachusetts
1 Main Street
Ayer, MA 01432

Attorney General of the United States
c/o Assistant Attorney General Antitrust Division
Room 3109
Department of Justice
Washington, D.C. 20530

Ronald A. Lane
Fletcher & Sippel
29 North Wacker Drive, Suite 920
Chicago, IL 60606

John K. Dunleavy
Vermont Agency of Transportation
One National Life Drive
Montpelier, VT 05633

Alison H. Crocker
New York State Department of Environmental
Conservation
Office of the General Counsel
625 Broadway, 14th Floor
Albany, NY 12233

**Bernard R. Kubiak
Town Of Deerfield
8 Conway Street
South Deerfield, MA 01373**

**Secretary of Transportation
U.S. Department of Transportation
1200 New Jersey Avenue, S.E.
Washington, D.C. 20590**

**Paul A. Cunningham
Harkins Cunningham LLP
1700 K Street, NW, Suite 400
Washington, DC 20006**